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MINISTRY OF COMMERCE & INDUSTRY

RESOLUTION

TARIFFS

New Delhi, the 24th November 1961

**No. 32(2)-T.R./61.**—The Tariff Commission has submitted its Report on the continuance of protection to the Caustic Soda Industry on the basis of an inquiry under-taken by it under Sections 11(e) and 13 of the Tariff Commission Act, 1951. Its recommendations are as follows:—

- (1) Protection to the caustic soda industry should be continued for a further period of three years, that is, upto 31st December 1964, at the existing rates of duty, namely, 30 per cent *ad valorem* (preferential) and 40 per cent *ad valorem* (standard). A countervailing duty equal to the excise duty is also leviable, on this item, in addition to import duty.
- (2) While licensing additional capacity for caustic soda, existing units should be encouraged to expand their capacity to an economic size. In licensing new units also due attention should be paid to the importance of setting up plants of large capacity in areas advantageously situated with regard to power and common salt.
- (3) Caustic soda is a basic raw material for a large number of industries. It is, therefore, of paramount importance that it should be made cheaper. This aspect should be borne in mind while licensing further capacity for chemical caustic soda.
- (4) The Railways should take necessary steps to increase the allotment of tank wagons (broad gauge and meter gauge) for movement of liquid caustic soda and also consider the question of adjusting railway freight in such a way that movement of liquid caustic soda over long distances is encouraged.
- (5) The higher freight rate for bulk movement of salt under class 37.3-A of Goods Tariff need not be enforced if a consumer undertakes to carry out protective measures for wagons as required by the railways. The Railways should, in consultation with the manufacturers of caustic soda, evolve a workable arrangement for bulk movement of salt in wagons and extend the facilities to cover long distance movement of salt.
- (6) The State Electricity Boards should be requested not to effect increases in the existing electricity rates during the present Plan period.

2. Government accept recommendation (1). The necessary legislation in Parliament will be introduced in due course.
3. Government have taken note of recommendations (2) to (5) and steps will be taken to implement them as far as possible.
4. The attention of the State Governments is invited to recommendation (6).

## ORDER

Ordered that a copy of the Resolution be communicated to all concerned and that it be published in the Gazette of India.

B. N. ADARKAR, Jt. Secy.